



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

FILED

05-14-07
01:51 PM

Order Instituting Rulemaking on the Commission's Own
Motion into the Service Quality Standards for All
Telecommunications Carriers and Revisions to General
Order 133-B

Rulemaking 02-12-004
(Filed December 5, 2002)

**COMMENTS OF CTIA – THE WIRELESS ASSOCIATION®
ON SCOPING MEMO ISSUES**

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Date: May 14, 2007

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In accord with the schedule set forth in the March 30, 2007 Scoping Memo in the above captioned rulemaking, as modified by the April 12, 2007, ruling of Assigned Administrative Law Judge Grau, CTIA-The Wireless Association® (“CTIA”) submits these opening comments.

I. INTRODUCTION

As noted in the March 30th Scoping Memo, since this proceeding was initiated over four years ago, there has been a major transformation in the Commission's regulation of the California telecommunications industry, as evidenced in the URF decision, D.06-08-030, where the Commission decided to terminate retail price regulation of large and mid-sized incumbent local exchange carriers. In this regard, the Scoping Memo notes that in Decision 06-08-030, the Commission found that regulatory policy should be consistent to the extent possible across market segments in light of competition among wireline, wireless, and Voice over Internet Protocol services. Given this progression, the Scoping Memo correctly defines the goals for any service quality regulation as (1) relying on competition, wherever possible, to promote broad consumer interest, and (2) promoting development of a wide variety of new technologies and services in a competitively and technologically neutral manner. CTIA supports these goals and has structured its comments accordingly.

II. COMMISSION CONDUCTED SERVICE QUALITY SURVEYS COULD INTERFERE WITH MARKET

In order to achieve the above stated goals regarding service quality regulation, the Scoping Memo requests parties to comment on whether the Commission's current service quality rules should be modified in various ways. Of particular relevance to the wireless industry is the inquiry set forth in the Scoping Memo regarding the advisability of Commission-sponsored annual customer satisfaction surveys, the results of which would be posted on the Commission's website. As explained below, CTIA believes such service quality surveys are neither necessary nor appropriate, and, in fact, could be detrimental to the stated goal of relying on competition to promote consumer interests.¹

Service quality surveys are not new to the wireless industry. Independent survey firms such as J.D. Power & Associates and Consumer Reports publish regular – and detailed - reports which analyze carrier performance in a number of categories such as call performance and customer service. These studies rate carriers in particular regions of the country so that consumers have the ability to view the results only for the areas that are most relevant to their particular situation. A key component of these surveys, however, is that they are conducted by independent, private companies about private companies. While the public may give certain of these surveys more credence than others, none of these surveys carries with it the stamp of governmental approval. The concept of a Commission-sponsored, i.e., government-sponsored, survey could inadvertently distort the competitive market by leading consumers to believe that the Commission is somehow endorsing one carrier's services or products over another carrier's services or products. Such a government-sponsored survey with published results could readily

¹ CTIA further notes that certain of the metrics referenced in the Scoping Memo such as installation and repair are inapplicable to the wireless industry.

translate into positive and negative market impacts. This is unfortunate because it will be highly unlikely that such a government-sponsored survey would remain accurate for long given the dynamic and rapidly evolving nature of the telecommunications markets. The Commission should shy away from taking any action which could influence activity in the marketplace. Such actions would run counter to its stated goal of relying on competition to promote consumer interests. Given the plethora of service quality data already available in the marketplace relating to wireless providers, it is unnecessary for the Commission to undertake its own investigation of the market to assure adequate service quality.

III. SERVICE QUALITY DATA ON WIRELESS PROVIDERS IS AVAILABLE IN THE MARKETPLACE

As noted above, there are a variety of privately conducted surveys which could provide the Commission with information regarding the impact of competition on service quality in the wireless industry. Moreover, such data is readily available to the public in either complete or summary form. Examples of such surveys include the following:

- ***JD Power & Associates*** (See <http://www.jdpower.com/telecom/ratings/wireless/index.asp>)

This semi-annual study measures customer satisfaction based on 42 specific service-related measures, grouped into six key factors that impact overall wireless-carrier performance: call performance and reliability; brand image (retail experience); cost of service; service plan options; billing; and customer service. Carriers are rated across six regions in the United States (Northeast, mid-Atlantic, Southeast, North Central, Southwest and West). The study is based on experiences reported by more than 25,000 wireless users.

For example, with respect to call quality, carriers are evaluated in seven customer-reported problem areas that impact overall carrier performance: dropped / disconnected calls; static / interference; failed connection on the first try; voice distortion; echoes; no immediate

voice mail notification; and no immediate text message notification. Problems are measured by the number experienced per 100 calls (PP100), with a lower PP100 score reflecting fewer total problems experienced.

In the area of customer service, carriers are rated on customers' experiences with three point-of-contact methods: telephone calls with a service representative and/or automated response system (ARS); visits to a retail wireless store; and online Internet connection. Within each contact method, processing issues such as problem resolution efficiency and hold-time duration are also measured.

In addition, the semi-annual study analyzes the experiences of customers who recently had a wireless retail sales purchase experience. The study measures overall customer satisfaction for the major wireless carrier-branded stores based on four factors: sales staff; store display; price/promotion; and store facility.

- **Consumer Reports** (See <http://www.consumerreports.org>)

For this annual article, Consumer Reports polls on line subscribers (with the last survey being based on approximately 43,000 responses) in 20 metro areas, asking them to rate their cell service overall (on a scale of 1 to 100). In addition, respondents are asked how many times they experienced certain service problems in the last seven days: (1) no service; (2) busy/overloaded system; (3) dropped call; and (4) static. Results are grouped according to urban areas, which include San Diego, San Francisco, and Los Angeles, and placed on a scale of "better to worse" based on the percentage of respondents who responded "never" to a particular question (e.g., how many times in the past seven days did you experience a dropped call). Results are also adjusted to eliminate differences between carriers based solely on usage.

- **PC Magazine's Readers' Choice** (See <http://www.pcmag.com>)

PC Magazine's Readers' Choice awards for wireless service are based on responses from over 8,000 magazine subscribers. The survey separates contract services from pay-as-you-go and asks subscribers “overall how would you rate your cell phone provider” (on a scale of 1 to 10, with 10 being the highest) with respect to 10 areas of service: (1) fees; (2) plan options; (3) choice of handsets provided; (4) customer service; (5) technical support; (6) coverage within home area; (7) call quality within home area; (8) coverage outside of home area; (9) call quality outside of home area; and (10) likelihood of recommending.

- **Consumers’ CHECKBOOK** (See <http://www.checkbook.org/>)

Consumers’ CHECKBOOK/The Center for the Study of Services is an independent, nonprofit consumer organization founded in 1974 with the help of funding from the U.S. Office of Consumer Affairs. Its stated purpose is to provide consumers information to help them get high quality services and products at the best possible prices.

CHECKBOOK recently undertook a survey regarding wireless service quality in the seven major metropolitan areas in which it is published, including the San Francisco Bay area. Surveyed customers were asked to rate their wireless providers as “inferior,” “adequate,” or “superior” with respect to various aspects of service. The results were reported as the number of customers who rated each company either “adequate” or “superior” on the following questions:

- Being able to get connections wherever you are in the local area;
- Being able to get connections when traveling in other parts of the country;
- Not having calls dropped;
- Quality of sound;
- How clearly charges are explained in advance;
- Clarity of bills; and
- Overall quality of service

- ***mindWireless*** (See <http://www.mindwireless.com/index>)

mindWireless, Inc. provides wireless expense management services, including enrollment, procurement, monthly optimization, auditing, help desk, administrative outsourcing and wireless management outsourcing. As part of the overall services provided, it conducts various surveys on elements of wireless service. For example in February 2007, it published its analysis of dropped calls experienced by cell phone users. The data for the analysis was not obtained by means of customer survey, but by virtue of the fact that mindWireless manages over 130,000 wireless lines for its clients, and, therefore, it has access to detailed call data. From this data, it was able to discern the number of dropped or "duplicate calls," which it defined as a call from a cellular device to another wireless device or landline placed within two minutes of a prior call to the same destination, with no call in between (calls to voice mail were excluded). The analysis covered all major carriers.

- ***Mountain Wireless*** (See <http://www.mountainwireless.com/>)

Mountain Wireless is a website which is sponsored by volunteers who gather information themselves, as well as soliciting input from other wireless service users, about various aspects of wireless service. The website post ratings for the major wireless carriers based on four metrics: (1) on-network coverage; (2) off-network coverage; (3) cost; and (4) customer service.

- ***Federal Communications Commission*** (See <http://hraunfoss.fcc.gov/edocs>)²

Each quarter the FCC releases its report on the number of complaints and inquiries which it has received on various aspects of wireless service, including service quality/coverage. The subject matters which are grouped into the category of complaints on service quality/coverage

² While this information is published by a government agency, the data is not the result of a survey, nor does the information give specifics on any particular carrier.

are:

- Dead Spots: inability to receive service within certain areas;
 - Dropped Calls: premature termination of calls;
 - Home Area Service: overall quality of service within the subscriber's local calling area;
 - Network Busy Signal: involving calls that do not go through because of overcrowding of the service frequencies;
 - Roaming Availability: availability of service outside the subscriber's local calling area;
 - Roaming Service: overall quality of service while roaming; and
 - Service Interruption: inability to use cellular phone because service was interrupted by service provider.
- **Better Business Bureau** (See <http://www.bbb.org/about/stat2006/us06indusort.pdf>)

The Better Business Bureau publishes a list of how many complaints it receives in a large variety of business types, as well as the percent of the complaints which are resolved with respect to each business type. This listing includes wireless services and supplies.

IV. CONCLUSION

CTIA agrees with the Commission that a proper goal of service quality regulation is to rely on competition, wherever possible, to promote broad consumer interests. Thus, it is unnecessary, and potentially harmful to the competition which the Commission agrees should be relied upon, for the Commission to conduct its own service quality survey as suggested in the Scoping Memo.

Respectfully submitted,

Dated: May 14, 2007

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By /s/ Jeanne B. Armstrong
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3100/002/X88971

CERTIFICATE OF SERVICE

I, Melinda LaJaunie, certify that I have on this 14th day of May 2007 caused a copy of the foregoing

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MEMO ISSUES**

to be served on all known parties to R 02-12-004 via email to those listed with email on the most recent service list on the CPUC website.

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ALJ Janice L. Grau
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I declare on penalty of perjury under California law that the foregoing is true.

Executed this 14th day of May 2007 at San Francisco, California.

/s/ Melinda LaJaunie
Melinda LaJaunie

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